

# Accidental Damage Package Insurance

## การประกันภัย ความเสียหายทรัพย์สิน



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A Member of **MS&AD** INSURANCE GROUP

**Mitsui Sumitomo Insurance Co., Ltd. Thailand Branch** headquartered in Japan within the MS&AD Insurance Group, is going to celebrate the 50th anniversary of its establishment in Thailand in 2014.

Initially specializing in providing non-life insurance for large-scale Japanese manufacturers and their affiliates, these days the company strives to provide its best insurance solutions for corporate clients of many nationalities in various lines of non-life insurance business including motor insurance.

With full support from the head office, the company's strong financial position in Thai insurance business and high service standards have long been recognized and awarded continually.

As one of those recognitions, the company became the first foreign insurer in the history of Thai non-life insurance industry when it won the first prize of the prestigious Prime Minister's Insurance Award 2011 for Outstanding Management.

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# Accidental Damage Package Insurance Policy

For smooth operation of your long lasting businesses.

**All of your assets** can be covered **from various risks** with just a few **simple steps**

## Characteristic 1

**Comprehensive coverage for property** such as buildings, machinery, stock and furniture, fixtures, and fittings

## Characteristic 2

We provide **all-risk basics coverage** for property damage and business interruption

## Characteristic 3

**A variety of options** are available with custom-made structure such as liability insurance, burglary insurance, machinery breakdown insurance, etc.

## Characteristic 4

We provide **risk survey services** such as comprehensive risk evaluation, loss prevention for accidents and workers' safety, etc.

## Fire Insurance with Broad Support for Your Business

### Property Damage



When insured property such as buildings, F.F.F., machinery and stock are physically damaged by fire, lightning, explosion and other causes not excluded by the policy, **you will be reimbursed** for the replacement **and** repair costs.

### Business Interruption (Optional)



We compensate **for business losses** incurred by business **resulting from damage** to the above insured property.

### Special Extensions (Optional)



The policy can provide **a wide range of custom-made** coverage by order-made such as legal liability due to the physical damages to the a third party as well as machinery breakdowns, money, burglary and boiler explosion accidents.



# Insured Items Selection

Please select the covered items to meet your risks.

	Item	Description	Excluded Properties
Property Damage	Buildings	All buildings (excluding foundations), including improvements, renovations and interior or exterior accessories inclusive of boundary walls, gates and fences, fire escapes, fire - fighting equipment, steppings stones, flagging, all utility systems belonging to the Insured.	<p>Applicable to all items</p> <ul style="list-style-type: none"><li>★Money , cheques, stamps, bonds, credit cards, securities, jewelry, precious stones, precious metals, bullion, furs, curiosities, rare books or works of art.</li><li>★Fixed glass, glass, earthenware, marble or other fragile or brittle objects.</li><li>★Electronic installations, computers and electronic data processing equipment.</li></ul>
	F.F.F.	Furniture, fixtures, fittings, office equipments, decorations, improvements, air - conditioning systems, telephone systems, computer systems and all other equipment belonging to the Insured.	<p>For ★ Items</p> <p>Except for damages caused by fire, lightning, explosion, aircraft, riots, strikers, earthquakes, windstorms, bursting, overflowing, discharging or leaking of water tanks, apparatus or pipes.</p> <ul style="list-style-type: none"><li>- Property held in trust or on commission, documents, manuscripts, business books, computer systems, records, patterns, models, moulds, plans, designs.</li><li>- Vehicles licensed for public roads and property in transit.</li></ul>
	Stock	Stock of raw materials, work in process, semi-finished products, finished products and property of every description, including packing materials belonging to the Insured.	<ul style="list-style-type: none"><li>- Property in transit, outside premise.</li><li>- Property or buildings under demolition, construction or erection.</li></ul>
	Machinery	Machinery, equipment, plants, transformers, tools, utensils, electrical installations, all other contents and property of every description belonging to the insured.	<ul style="list-style-type: none"><li>- Land, driveways, pavements, roads, runways, railways, lines, dams, reservoirs, canals, rigs, wells, pipelines, tunnels, bridges, docks, piers, jetties, excavations, wharves, mining underground or off-shore property.</li><li>- Livestock growing crops or trees.</li><li>- Property damaged as a result of undergoing processes.</li></ul>
	Property under care custody and control	Property being in the care, custody or control of the insured.	<ul style="list-style-type: none"><li>- Machinery during installation, removal or re-sitting (including dismantling and re-erection) and property undergoing alterations, repairs, testing or installation.</li><li>- Boilers, economizers, turbines or other vessels, machinery or apparatus in which pressure is used.</li></ul>
Business Interruption	Net Profit	The net trading profits (exclusive of all capital receipts and expansions and all outlay properly chargeable to capital) resulting from the business of the insured at the premises after due provision has been made for all standing and other charges, including depreciation but before the deduction of any taxation chargeable on profits.	
	Standing Charges (Fixed Costs)	Ongoing expenses/costs despite the business interruption such as salaries and wages, land rent, house rent, advertising expenses, depreciation, taxes, etc.	
	Additional Increased Cost of Working	Additional increases in the cost of working necessarily incurred during the indemnity period resulting from the damages for the sole purpose of avoiding or diminishing a reduction in turnover or resulting in maintaining normal business operations.  such as overtime, additional expenditures for rush jobs, additional expenditures for emergency transportation, emergency purchase of materials, etc.	











● Please note that business interruption policy alone is not available.

● Please select either "building", "F.F.F.", "machinery" or "stock" for property damage policy

● The losses covered under the business interruption policy are for only when the business was interrupted by property damage caused by perils not excluded  
(for example, a fire breaks out and the business is interrupted as the building is damaged by fire).  
  
Business interruption loss is not covered when there is no property damage loss  
(for example, material supply stops and business is interrupted).

# Property Damage General Coverage

**What is insurance coverage** when the insured property is physically damaged?

General Insured Coverage		Exclusion Caused
1 Fire		<ul style="list-style-type: none"> <li>★ Faulty or defective design materials or workmanship.</li> <li>★ Gradual deterioration deformation or distortion or wear and tear.</li> </ul>
2 Lightning,		<ul style="list-style-type: none"> <li>★ Interruption of water supply, gas, electricity or fuel supply systems or failure of effluent disposal systems to and from the insured premises</li> </ul>
3 Explosion		<ul style="list-style-type: none"> <li>★ Collapse or cracking of buildings.</li> </ul>
4 Windstorm		<ul style="list-style-type: none"> <li>★ Corrosion rust extremes or changes in temperature, dampness, dryness, rot fungus, shrinkage, evaporation, loss of weight, pollution, contamination, change in color, flavour, odour, texture or finish action of light vermin insects, marring or scratching.</li> </ul>
5 Earthquake, Volcanic Eruption, Tidal Wave or Tsunami		<ul style="list-style-type: none"> <li>★ Acts of fraud or dishonesty to the insured or insured property.</li> <li>★ Unexplained disappearance or inventory shortage upon checking.</li> <li>★ Collapse or overheating of boilers, economizers, vessels, tubes or pipes, nipples, leakage or failure of boiler welding.</li> <li>★ Mechanical or electrical breakdown or derangement of machinery or equipment.</li> </ul>
6 Aircraft, Vehicle Impact		<ul style="list-style-type: none"> <li>★ Bursting, overflowing discharging or leaking of water tanks apparatus or pipes when the premises are empty or disused.</li> </ul>
7 Water Damage		<p>For ★ items Unless damage incurred by a cause not excluded by the policy ensues, or when the loss causes direct damage to the insured property.</p> <ul style="list-style-type: none"> <li>- Coastal or river erosion.</li> </ul>
8 Smoke, Bush Fire		<ul style="list-style-type: none"> <li>- Subsidence, ground upheavals or landslides.</li> </ul>
9 Hail		<ul style="list-style-type: none"> <li>- Wind rain hail frost snow flood sand or dust to movable property in the open or in open sided buildings or buildings with one side opened or to fences and gates.</li> </ul>
10 Strikes, Riots or Malicious Acts		<ul style="list-style-type: none"> <li>- Freezing, solidification or inadvertent escape of molten material.</li> <li>- Any willful act or willful negligence on the part of the Insured or any person acting on the insured's behalf.</li> <li>- Cessation of work, delay or loss of market or any other consequential or indirect loss of any kind.</li> </ul>
11 Electrical Injury (by fire or lightning)		<ul style="list-style-type: none"> <li>- War, invasion, act of foreign enemy, hostilities or warlike operations (whether war has been declared) civil war</li> <li>- Mutiny or civil commotion assuming the proportion of or amounting to a popular rising, military rising, insurrection, rebellion, revolution, military or usurped power.</li> </ul>
12 Theft with violent or forcible entry to or exit from a building with visible signs of damage to the building		<ul style="list-style-type: none"> <li>- Acts of terrorism for political purposes.</li> <li>- Permanent or temporary dispossession resulting from confiscation nationalization commandeering or requisition by any lawfully constituted authority.</li> <li>- Permanent or temporary dispossession of any building resulting from the unlawful occupation of said building by any person.</li> </ul>
13 All risks of direct and sudden physical damage other than the above		<ul style="list-style-type: none"> <li>- The destruction of property by order of any public authority.</li> <li>- Nuclear weapons material.</li> <li>- Ionizing radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel.</li> </ul>

## Remark

★ The above coverage and exclusion are some parts of main coverage and exclusion. The other terms and conditions shall follow accidental damage package insurance policy.



## Optional Coverage for Property Damage

Other insurance is required for businesses. You can have wider coverage by adding more from the selection of the options below:



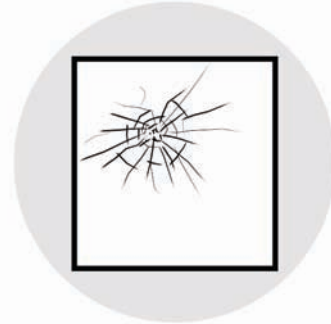
### MONEY INSURANCE (M.2)

To indemnify the Insured against the following coverage with respect to the agreements in which a limit of liability is shown in the policy schedule:

- ★ Item 1. Loss of money for payment of wages and/or salaries
- ★ Item 2. Loss of money within the insured premises
- ★ Item 3. Loss of money in locked safe or strong room
- ★ Item 4. Loss of money outside the insured premises
- ★ Item 5. Damage to safe or strongrooms

#### Main Exclusions

- ★ 1. Fraud or dishonesty, criminal acts.
- ★ 2. Loss of Manuscripts, books of account, or records.
- ★ 3. Forgery, error or omission in any exchange, purchase, accounting or arithmetical operation.



### PLATE GLASS INSURANCE

To indemnify for, reinstate or repair breakage and the cost of any necessary and reasonable boarding up before replacement for the event of glass breakage as described in the schedule.

#### Main Exclusions

- ★ 1. Any disfiguration or damage other than a fracture extension.
- ★ 2. Any breakage occurring during transit to or while being affixed to or removed from orduring the course of alterations.



### MACHINERY BREAKDOWN INSURANCE (electrical & mechanical accident)

To indemnify for any unforeseen and sudden physical loss or damage to the machinery insured or any part whilst on the premises due to causes such as defects in casting and materials, faulty design, fault at workshops or in erection, poor workmanship, lack of skills, carelessness, shortage of water in boilers, physical explosions, tearing apart on the account of centrifugal force, short circuits, storms, or any other cause not specifically excluded in this insurance.

#### Main Exclusions

- ★ 1. 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 and all operating media such as lubricating oil, fuel, and catalysts.
- ★ 2. Loss or damage caused by any faults or defects existing at the time of commencement of the present insurance within the knowledge of the insured or the Insured's representatives.
- ★ 3. Loss or damage arising from the willful act or gross negligence of the Insured or the Insured's representatives.
- ★ 4. Loss or damage under the responsibility of suppliers or manufacturers.
- ★ 5. Loss or damage as a direct consequence of the continual influence of operations (for example, wear and tear, cavitations, erosion, corrosion, rust, boiler scale etc.)
- ★ 6. Consequential loss or liability of any kind.
- ★ 7. The cost of any alterations, additions, improvements or overhauls.
- ★ 8. Loss or damage arising directly from lightning, directly or indirectly from fire, the extinguishment of a fire, or the clearance of debris and dismantling necessitated thereby, and chemical explosions.

## Optional Coverage for Property Damage

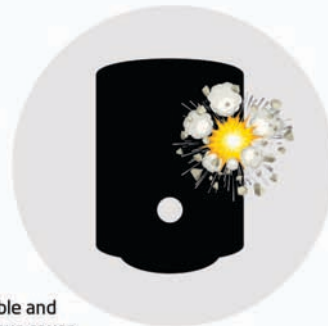
Other insurance is required for businesses. You can have wider coverage by adding more from the selection of the options below:

### BOILER AND PRESSURE VESSEL INSURANCE

To indemnify for damage to boilers or pressure vessels as described in the schedule caused by and solely due to explosion or collapse during the ordinary course of work.

#### Main Exclusions

- ★ 1. Defects due to the wearing away or wasting of the materials of a boiler or a pressure vessel.
- ★ 2. The failure of individual tubes in boilers of water tubes unless said defects result in explosion or collapse.
- ★ 3. Damage to property belonging to the insured, or held by the insured in trust, or on commission for which the insured is responsible and caused by or arising from explosion, or collapse, or any other cause whatsoever, or damage to the plant resulting from any extraneous cause.
- ★ 4. Damage and/or liability caused by the willful act or willful neglect of the insured.
- ★ 5. Loss sustained by stoppage of work.
- ★ 6. Loss or damage that, either in origin or extent, is occasioned by or contributed to by typhoons, hurricanes, volcanic eruptions, earthquakes or other convulsion of nature, or any tests other than tests at a pressure not exceeding the maximum pressure permitted by the inspecting authority.



### NEON SIGN INSURANCE

To indemnify any loss or damage to the installation or any parts thereof by fire, lightning, external explosion, theft or accident, including all sums to which the insured shall become legally liable for payment.

#### Main Exclusions

- ★ 1. The fusing or burning out of any bulbs and/or tubes arising from short-circuiting, or arcing and/or other mechanical or electrical defects or breakdowns.
- ★ 2. Repairs, cleaning, removal or erection, wear and tear, depreciation or deterioration.
- ★ 3. Damage to bulbs and/or tubes, unless the glass is fractured.
- ★ 4. Overrunning, overheating or strain.
- ★ 5. Atmospheric conditions.
- ★ 6. Consequential loss by whatever cause.
- ★ 7. Any accidental loss; damage occasioned by floods, typhoons, volcanic eruptions or, earthquakes.



### ELECTRONIC EQUIPMENT INSURANCE

To indemnify by payment in cash, replacement or repair when the insured electronic equipment or materials suffer any unforeseen and sudden physical loss or damage.

#### Main Exclusions

- ★ 1. Loss or damage directly or indirectly caused by or arising out of earthquakes, volcanic eruptions, typhoons, cyclones, hurricanes, tornadoes and other terrestrial storms.
- ★ 2. Loss or damage caused by theft.
- ★ 3. Loss or damage caused by the faults or interruption of any gas, water or electricity service or supply.
- ★ 4. Loss or damage as a direct consequence of the continual influence of operations (e.g. wear and tear, cavitations, erosion, corrosion and incrustation) or of gradual deterioration due to atmospheric conditions).
- ★ 5. Any costs incurred in connection with the elimination of functional failures.
- ★ 6. Any costs incurred in connection with maintenance.
- ★ 7. Loss or damage under the responsibility of the manufacturer or supplier.
- ★ 8. Consequential loss or liability of any kind or description.
- ★ 9. Loss or damage to exchangeable tools such as bulbs, valves, tubes, ribbons, fuses, seals, belts, wires, chains, rubber tires, engraved cylinders, objects made of glass, porcelain, ceramics sieves or fabrics and aesthetic defects such as scratched on painted, polished or enameled surfaces.





# Public Liability Insurance Coverage

You can have wider coverage for the legal liability of your business to pay compensation for personal injury or property damage to third parties.

All sums which the insured shall become legally liable to pay for compensation in respect of

1. Death or bodily injury or illness to any person except:

- A. The insured's employees in the course of the employment or a person who at the time of accident is engaged in and upon the service under a contract of service or apprenticeship with the insured.
- B. A member of the insured's family or a person residing with the insured who is directly or indirectly associated with the insured's business as stated in the schedule.

2. Loss of or damage to any property except:

- A. Property belongs to or held in trust by or in the custody or under the control of the insured or property on which the insured is working.
- B. Property in charge or under control or used or worked on by the insured's employees or agents in the course of the employment.

## Optional Other Liability Coverage



### PREMISE LIABILITY

To indemnify all sums for which the insured is legally liable to pay for compensation in relation to accidental bodily injury to any person or accidental damage to any property caused on or about the premises through the fault or negligence of the insured or persons in the service.



### ELEVATOR (LIFT) FORKLIFT LIABILITY INSURANCE

To indemnify all sums for which the insured is legally liable for damages because of injury to, destruction of, or loss of property belonging to the insured's third party or tenant at the premises while in use of elevators or lifts and forklifts within the insured premises.

- ★ This insurance will be accepted together with public liability insurance.
- ★ The limit of liability is inclusive in the limit of public liability insurance.

## Exclusions (Applicable to public liability insurance)

This insurance does not cover the following:

1. Deductibles to be borne by the insured as specified in the schedule.
2. Liability in relation to judgments which are not in the first instance delivered by or obtained from a court of competent jurisdiction within Thailand nor to orders obtained in the said court for the enforcement of judgments made outside Thailand whether by way of reciprocal agreements or otherwise.
3. Liability arising from the ownership possession custody control advice or use by or on behalf of the insured of any mechanically propelled vehicle (including any type of machine on wheels or caterpillar tracks)
4. Liability caused by, or in connection with or arising from
  - 4.1 Any lift, elevator, escalator, hoist, crane, steam boiler or economizer, dock or mooring owned or used by the insured or for the maintenance of which the insured is responsible, unless specified in the schedule.
  - 4.2 Construction extension or demolition of any building or structure.
  - 4.3 Products or goods manufactured, sold, supplied, repaired or serviced by or to the order of the insured or on behalf of the insured.
5. Liability directly or indirectly caused by or in connection with or in consequence of flood waste water chemical leftover dust smoke poison gas or liquid or substance pollution or contamination.
6. Liability caused by or through or in consequence of subsidence, vibration or withdrawal or weakening of support.
7. Liability assumed by the insured by agreement and which would not have attached in the absence of such agreement.
8. Liability arising in the course of or as the result of
  - 8.1 Technical or professional advice or service given or administered by the insured or by any person acting on behalf of the insured.
  - 8.2 Medical treatment given or administered by the insured or by any person acting on behalf of the insured except for first aid treatment.
9. All kinds of fines and penalties.

# Business Interruption

- ★ When facilities / equipments are damaged by accidents such as fire, lightening or, windstorms, not only property such as buildings, machineries and other properties will be lost or damaged, but business profits will also be lost.

Accidental damage package insurance policy can extend to cover business losses as a result of business interruption caused by unforeseen accidents and similar to fixed costs which need to be paid continuously even after the accident (for example, labor cost and etc.) as well as net profits that would have been earned otherwise and increases in the cost of working which is an additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing a reduction in turnover after the accident.

## Business Interruption Coverage

To cover loss of profit or additional costs of working as a result of business interruption following damage or loss to the insured under the property damage section of the policy.

## Definition

### Net Profit

The net trading profit (exclusive of all capital receipts and expansions and all outlay properly chargeable to capital) resulting from the business of the insured at the premises after due provision has been made for all standing and other charges, including depreciation but before the deduction of any taxation chargeable on profits.

### Rate of Gross Profit

The percentage of the gross profit of the insured items like net profit and/or insured standing charges (fixed costs) earned on the turnover during the financial year immediately before the date of the damage.

### Increase of Cost of Working

Additional expenditures necessarily and reasonably incurred for the sole purpose of avoiding or diminishing a reduction in turnover which, but for that expenditure, would have taken place during the indemnity period in consequence of the damage, but not exceeding the sum produced by applying the rate of gross profit to the amount of the reduction thereby avoided for business continuity.

(Example) overtime, additional expenditures for rush jobs, additional expenditures for emergency transportation, emergency purchase of materials, etc

### Standing Charges (Fixed Costs)

Ongoing cost expenditures, despite business interruption (including fixed costs in manufacturing costs)

For example salaries and wages, land rent, house rent, advertising expenses, depreciation, taxes, etc.

### Loss of Gross Profit

Amount of net profit and insured standing charges (fixed costs) which would be gained unless the accident occurred during the indemnity period.

★ (Turnover which would be gained unless an accident occurred - Actual Turnover) × Rate of Gross Profit

However, fixed costs that would not need to be paid such as depreciation of the total loss property or salaries of the dismissed employees will be deducted.

### Indemnity Period

The period beginning with the occurrence of the damage and ending not later than (as stated in the schedule) months thereafter during in which the performance is affected in consequence of the damage.

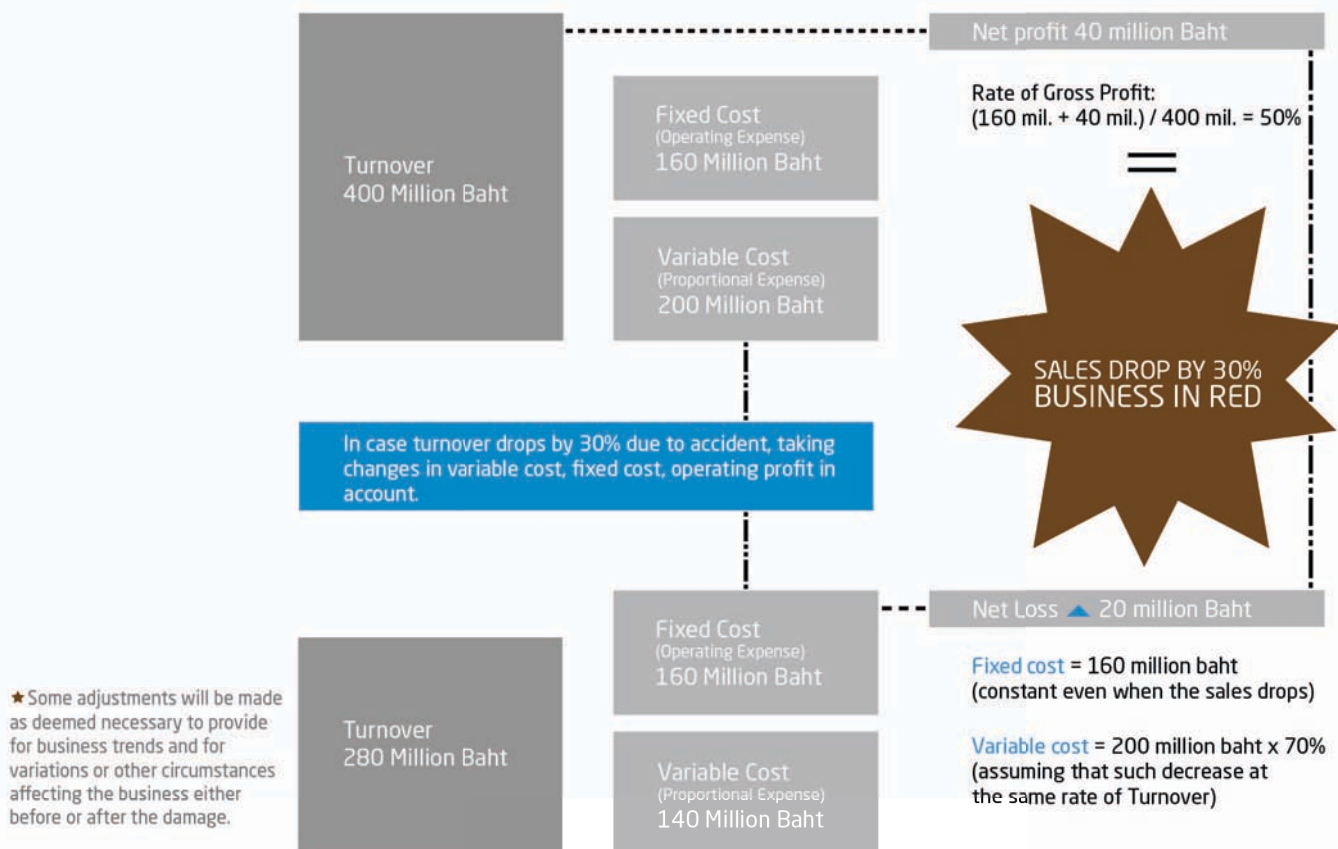
### Time Excess

The period during which the Insured and the company agree that the company will not pay for any indemnity.



## Example of Claim Payment

[Loss caused by business interruption] could create business loss due to lower sales and lower net profit which may result in putting pressure on the company management and financial condition



★ When [Net Profit] (40 million baht) + [Fixed Cost] (160 million baht) were insured.

Rate of Gross Profit = 50%

<Claim Payment example 1>

In case when turnover drops by 30% due to an accident (-120 million baht)

➤ Reduction in turnover 120 million baht x Rate of gross profit 50% = **60 million baht**

<Claim Payment example 2>

In cases when the alternative parts are outsourced and the company is able to sell 40 million baht, but incurs 10 million baht in more cost increases than usual. And as a result, turnover drops only by 20% (-80 million baht)

➤ Reduction in turnover 80 million baht x Rate of gross profit 50% = **40 million baht**

➤ Increase in Cost of Working 10 million baht < 40 million baht x 50% = **10 million baht**

Total: = **50 million baht**

<Claim Payment example 3>

In case when outsourced the alternative parts and was able to sell 40 million baht, but incurred 30 million baht in more cost increases than usual. And as a result, turnover dropped only by 20% (-80 million baht).

➤ Reduction in turnover 80 million baht x Rate of gross profit of 50% = **40 million baht**

➤ Increase in Cost of Working 30 million baht > 40 million baht x 50% = **20 million baht**

Total: = **60 million baht**

★ Increases in the cost of working will be paid based on actual additional expenditures, but not exceeding the sum of the "turnover achieved by incurring the expense X rate of gross profit" (not applicable when "the additional increases in cost of working clause" is attached).

★ The above examples are simplified for the purpose of explanation. For the actual claim settlement, various materials will be required to support the claim and the claim payment amount will be calculated based on the material costs.





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★ This booklet describes the outline of products only.

Please refer to the insurance policy for consideration.

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