

INSTITUTE REPLACEMENT CLAUSE – PROPORTIONAL VALUATION

In the event of loss of or damage to any part(s) of an insured machine or other manufactured item consisting of more than one part caused by a peril covered by this insurance, the sum recoverable shall not exceed such proportion of the cost of replacement or repair of such part(s) as the amount insured bears to the new cost of the machine or manufactured item, plus labour for (re)fitting and carriage costs. Duty incurred in the provision of replacement or repaired part(s) shall also be recoverable provided that the full duty payable on the insured machine or manufactured item is included in the amount insured.

The total liability of Insurers shall in no event exceed the amount insured of the machine or manufactured item.

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