

## **Second Hand Equipment Clause**

(Registration No: 09AD2023000210521)

In the event of any loss of or damage to second-hand equipment, the basis of valuation shall be as follows:

- a) If the damaged second-hand shipment can be repaired, this policy shall indemnify the Assured the cost of repair without deducting any depreciation.
- b) If the second-hand cargo has been lost or is a constructive total loss and can be replaced with goods of like kind and quality, the policy will cover the cost of replacement of such replacement goods without deducting any depreciation.
- c) If the second-hand cargo has been lost or is a constructive total loss but cannot be replaced with goods of like kind and quality, the policy would cover replacement value less a reasonable depreciation for age, wear and tear etc.

In case of loss or damage of a part or parts of a machine or other object existing in complete condition, the Insurer shall reimburse at most the cost of repair / replacement / restoration of the lost or damaged part or parts in order to restore the damaged machine or other object to the condition it was in at the time of shipment, even if machine / equipment parts are distributed over several individual shipments.

d) Insurer accepts new value replacement, only in case of a court decision (prior legal opinion to be obtained by insurer) for new replacement. Insurer only to indemnify the Assured for loss or damage to 3rd party goods and not for any other contractual liability such as E&O, pure financial loss, business interruption, consequential losses, or any 3rd party liability. **Compensation at replacement values is limited to a sublimit of XXX.**