



What is Contractor's Equipment Policy (CEP)?

Major key industries in Singapore such as construction, transportation, manufacturing, shipping and logistics, etc. are capital equipment intensive industries. Typically, companies in these industries own or rent costly tools and equipment which may comprise both stationary and mobile equipment (i.e. tools carried from one location to another).

CEP, as a part of AIG's Inland Marine insurance, is designed to insure the direct physical loss or damage to the contractor's equipment on an "all risks" basis, except as excluded. This is a new solution for the companies that have been purchasing the Machinery All Risks Insurance property product.

Who needs CEP?

CEP provides a comprehensive solution for businesses with significant equipment fleets. These include, but are not limited to:

- Commercial, industrial, residential construction contractors
- Engineering contractors (Land transport, street and road)
- Utilities contractors (Pipeline, water and sewer)
- Shipyard and port operators and contractors
- Airport operators and contractors
- Freight, logistics and warehouse contractors
- Leasing operations (Dry Hire and Wet Hire)
- Telecommunications or broadcasting contractors

Key Industries

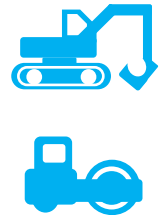
Construction

Types of businesses/companies

- Building Contractors
- Excavation Companies
- Street and Road Contractors
- Utility Contractors
- Installation Companies

Types of equipment

Compactor / Scaffolding / Asphalt finisher /
Moving crane / Shovel / Chip spreader /
Derrick crane / Cold planer, etc.



Transportation

Types of businesses/companies

- Logistics Support Providers
- Shipyard, Port and Terminal Operators
- Motor and Rail Carriers
- Storage and Warehouseman
- Airport Ground Services

Types of equipment

Ladder truck / Forklift / Boarding ramp /
Container Scissor truck / Container crane /
Towing truck / Rolling safety ladder /
Container (within Singapore only), etc.



Specialty

Types of businesses/companies

- Bailee's
- Communication and Entertainment
- Equipment Dealers
- Finance Companies and Lenders
- Manufacturers

Types of equipment

Dental chair / Telephone equipment / Shelf /
Camera / Communication Satellite / CT,
Ultrasound in mobile clinic / Satellite on board
vehicle, etc.





CEP Coverage

CEP covers the direct physical loss or damage to the equipment listed overleaf during transportation, operation, and storage, within Singapore (land and waterborne). The coverage is on an "all risks" basis.

Options include:

- Newly acquired equipment
- Leased or rented equipment
- Employee tools
- Rental reimbursement
- Waterborne property
- Crane overload coverage
- Sale or disposal of equipment
- Third party liability (referral required)
- Business interruption (referral required)
- Debris removal expense
- Pollutant clean up and removal expense

Exclusions

These are the standard exclusions of CEP:

- Civil authority
- Nuclear hazard
- War and military action
- Pollution
- The weight of a load exceeding the manufacturer's rated lifting capacity
- Delay, loss of use, loss of market and consequential loss
- Mysterious disappearance of property
- Dishonest acts
- Damage to covered property while being worked upon (repair).
- Short circuit or other electrical disturbance
- Voluntary parting with title to or possession of any Covered property
- Unauthorised instructions to transfer covered property to any person or place.
- Wear and tear, hidden or latent defect, gradual deterioration, depreciation, structural, electrical or mechanical breakdown, rodents, corrosion, rust, etc.

Risk Assessment

What is the age of equipment?

A. 10-year-old, etc.

What is the value of equipment?

A. Market value, replacement value, etc.

What is the operation type?

A. Drilling and excavating operation, etc.

Where is the operation located?

A. Normal ground, tunnel area, underground, etc.

What is the condition of the operation terrain?

A. Hilly / mountainous areas, etc.

What condition is the equipment in?

A. The maintenance is scheduled regularly and its service record is kept, etc.

Risk Appetite Class of Business / Type of Equipment

Preferred

- Street / Road Contractors
- Warehouse Operators
- Parts and Terminals Programme
- Pipeline Contractors
- Utility Service Contractors
- Oil Field Service Contractors

Limited

- Cargo Handling Equipment except for Ports / Terminals programme
- Above Ground Mining Equipment

Restricted

- Crane only Schedules
- Logging Equipment
- Underground Mining Equipment
- Combine / Harvesting Equipment
- Draglines / Electric Shovels

To find out more on CEP, please contact your broker /agent or visit our website: www.aig.com.sg/business/businessproducts-and-services/marine/inland-marine
The CEP Proposal Form and FAQs are also available at the link above.

The Marine Appetite Guide is available here: www.aig.com.sg/content/dam/aig/apac/singapore/documents/other/marineappetiteguide.pdf



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